



THE MONEY CHANGERS

*A symposium of opinion which decries
abandoning the Congressional prerogative to issue money*

THE FOLLOWING is the conclusion of an important address delivered March 10, 1935, over the radio, by the Reverend Charles E. Coughlin. (MERCURY believes that there will be a collapse after the current debt binge and that a re-printing of this address, now will serve as a warning.)

In the spirit of Thomas Jefferson, in league with those patriots who had any part in the signing of the Declaration of Independence, I stand behind these assertions in the name of Liberty, in the name of humanity. Jefferson's 27

points of grievance against the person of King George III cried out in that bygone day for redress no louder than do these grievances cry to the Father of justice for remedy and relief!

As our forefathers proved that George III was the real subversive element in the civilization of that day, so do I point out with twenty-seven specific truths that *the imperialism of Wall Street is the true subversive movement in America today*. In that early day when we battled for our political independence, we found our beloved Washington ragged and

starved on the hillside of Valley Forge while the English Howe and his imperialistic treasury lived in arrogance and luxury in the city of Philadelphia.

Today [in 1935] 20 million of my countrymen are ragged and desolate on the farm sites and valleys of the richest land in this world while the agents of Baruch and Morgan and Warburg, protected by their imperialistic control of money feast in arrogance.

I HAVE BEEN accused of being an inciter of revolution. So were Washington and Jefferson!

I have been accused of stirring up the masses and of consorting with sinners — political and otherwise. So was Jesus Christ!

. . . I do confess that I have attempted, in season and out of season, to convince the elected representatives of our people and their executives to *abolish the privately owned Federal Banking System and to erect in its stead a nationally owned Central Bank*, if for no other purpose than to prevent a continuance of the present despotism, which is far more acute than was taxation without representation.

If there ever flare the fires of red revolt in this harassed na-

tion of ours, let the international bankers — the Baruchs and the Rothschilds, the Kuhn-Loebs and the Morgans — remember 1776. In that day it was the tyranny of a King George which kindled the flames. History will but repeat itself if the protestations of 80 millions of peace-loving citizens are unheeded.

The unconstitutional Federal Reserve Banking System is a traitor and a robber. The American people from this day shall know why and by whom this privately-owned banking system was originated, and how it plotted and planned this greatest of all man-made depressions. More than that, no facts have been hidden lest it be surmised that the instrumentalities of a great government were placed in the position of being "used" in engineering and perpetuating this greatest of all crimes against the people of the United States.

After reviewing the havoc wrought by this insatiable instrument of exploitation, it is not surprising that E. Ray Howard has characterized the *Federal Reserve System* as "*the most damnably destructive and vicious monetary system of history.*"

The prophecy of Jefferson is speedily being fulfilled: "If the American people ever allow

private banks to control the issue of their currency, first by inflation and then by deflation, the banks and corporations that will grow up around them *will deprive the people of all property until their children will wake up homeless on a continent their fathers conquered.*"

SO CONCLUDED Coughlin in 1935. Now, a quarter-century later, MERCURY points out that before Franklin Delano Roosevelt moved to the White House, he had told the people that he would "drive the mon-

that the Federal Reserve System has rendered in connection with our efforts to bring about recovery. It has been an institution of incalculable value throughout the twenty years of its existence; soon after its organization it was an important factor in enabling this country to aid in winning the war; and more recently it has given firm support to the government's efforts in fighting the depression. It has stood loyally by the interests of the people by supplying them with a sound currency, by placing at the disposal of member banks a large volume of reserves avail-

"This system of wholesale pillage and robbery was conceived in secret and iniquity; it was sired by fraud, given birth by hypocrisy, nursed at the twin breasts of exploitation and greed; and then in 1914, in the stress of a World War which its belated passage had delayed for more than three years, the state was set for its inauguration in the wholesale robbery of more than one hundred million unsuspecting American people; that international bankers might finance a world war and forge more securely the shackles on free men."

—The Rev. CHARLES E. COUGHLIN.

ey-changers out of the temple." But he had hardly become comfortable when he sent a letter to Federal Reserve (as printed in the February, 1934, *Federal Reserve Bulletin*):

It gives me pleasure at this time to express my appreciation of the splendid services able to finance recovery, by

exerting a powerful influence toward the rehabilitation of the commercial banking structure, and by cooperating in every way with the government's financial program.

How the international bankers (FDR was one of them, remember) must have laughed when they read this "recom-

mendation" in their confidential house organ. For they, of all people, knew that *every statement made by the President of the United States in this letter, was a downright lie*. It did not aid in bringing about recovery, unless one considers bringing about World War II such an "aid," for there was no "recovery" until the requirements of war-time economy brought it about. As for FRS being an important factor in enabling us to win World War One — *one of the primary reasons for starting the war in the first place was to insure the creation of FRS as an instrumentality for financing that war*. It did not stand by the people; millions of farmers and small business men were ruined because of FRS. Nor did it aid in "the rehabilitation of the commercial banking structure;" thousands of community and farm banks were forced to close, never again to open their doors, because of FRS favoritism to the banks of New York City. Finally, FRS did not cooperate with the government's financial program; instead, *FRS dictated the government's financial program*.

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THERE WERE voices in Congress objecting to the Federal Reserve System's manipula-

tion of the nation's money. One of the most persistent dissenters is Congressman Wright Patman of Texas, As early as 1942, Patman told his colleagues in the House of Representatives (and he has been telling them the same until this very day) :

The government of the United States, under the Constitution, has the power, and it is the duty of the Government, to CREATE ALL MONEY... This being true, why should Congress sit idly by and allow the (private) banks to expand \$20 to \$1, or even \$50 to \$1, in order to finance the war and the other costs of Government when it is nothing more nor less than Congress permitting the credit of this Nation to be farmed out for the selfish benefit of private banking corporations? The Treasury issues both money and bonds. Under the present system it sells (deposits) the bonds to a bank that creates money (bank deposits)! Then, if the bank needs the actual money, the actual printed greenbacks (or coins) to pay the depositors, the Treasury will furnish that money to pay the depositors. In that way Congress farms out the use of the government's credit absolutely free.

It is the duty of Congress to issue — coin or create — money

and regulate its value under the Constitution. This great privilege has been farmed out free to the privately owned banks by Congress. This privilege is worth billions of dollars a year to those exercising it under laws passed by Congress.

The United States Treasury prints and issues both the interest-bearing bonds and the money (bills and coins) which is another form of Government obligation, not interest-bearing.

The Reserve Banks are owned by the private commercial banks, including the bank that bought the bonds. The Federal Reserve banks are Federal in name only; they are owned lock, stock and barrel by the private commercial banks, which have invested a very small sum of money upon which they get six per cent per annum.

Remember, the U.S. Treasury has caused the Bureau of Engraving and Printing to print and deliver to the Federal Reserve Bank a million dollars in U.S. Government bonds, interest bearing, and then it added a million dollars in currency. Each is a Government obligation. The Federal Reserve Bank delivers to the local commercial bank the million dollars in bonds and obtains for the Government a million dollars in bank deposits

which it checks out to pay its debts. Then the Reserve Bank delivers to the local commercial bank the million dollars in cash.

The present banking system, through the use of the Government's credit, as now [1942] proposed to finance the war, can issue more than \$240 billion in money, and every bit of it will be issued on the Government's credit. Of course, it will be the Government's credit that will make it secure, as the \$8 billion will be insufficient for that purpose. . . The Government pays interest for the use of its own credit.

Who created such a system that is costing the taxpayers \$1,750,000,000 this year [1942] and will cost the taxpayers \$4,500,000,000 a year when our anticipated expenditures for war purposes are made? (Interest alone to 1960 is \$11,000,000,000).

THE ANSWER is that such a system was built up over a long period of years. Congress (has) passed monetary laws without giving a great deal of attention to them, being told (by bankers who had written the bills) that money was a mystery and that few people understood it and those understanding it were the ones wanting the laws. It was (and is)

smart (alecky) for a Congressman to say, "All I know about money is that I don't have enough of it," or some similar crack that invariably drew laughter and applause, and the bill was passed (practically as the bankers wrote it.) If some person who had given the subject thought and consideration attempted to show how the credit of the Nation was being farmed out FREE to privately owned commercial banks, he could be silenced very quickly by a whispering campaign that he was a monetary crackpot, or a greenbacker, who wanted to flood the country with worthless printing-press money. Then, with a few references to continental currency, fiat money, and German inflation, the bill was sent on its way. All such bills were referred to as a bill to further strengthen our sound currency.

I am opposed to the Government, which has the sovereign and exclusive power to create money, paying private bankers for the use of their own money. The private bankers do not lend their money to the Government; they lend the Government's money to the Government, and collect interest annually. I want to say that the highest authority and best in our Government, the President of the Federal Reserve

System, the Secretary of the Treasury, as well as all informed people, admit it. The banks say they lend the depositors' money; "we're responsible for it, and if we don't get any interest for its use, we just won't buy any bonds." But they know that is not so, for the President of the Federal Reserve System, Mr. Eccles said, "We create credit to buy bonds. That is all we have ever done. That is the way The Federal Reserve System operates. It creates money." The Secretary of the Treasury, Mr. Morgenthau, said: "When commercial banks buy bonds they do not pay for them with real cash taken from their vaults (nor out of their capital or surplus—out of no existing funds), but by placing on their books newly created bank deposits to the credit of the Government."

THE FOLLOWING is quoted from *Task Force*, issue of March, 1959:

In the last Congress, Ushur L. Burdick, veteran congressman from North Dakota, was interviewed on a radio program by T. D. Horton, Chairman of the Executive Council of the Defenders of the American Constitution. The following is a transcript of that program:

Mr. Horton — Congressman,
in a pamphlet of yours pub-

lished some years ago on the causes of the 1920 agricultural depression, you quoted at length from a meeting of private bankers who were officials of the so-called 'Federal' Reserve System. And in that booklet you showed, from the record of that meeting, that these bankers deliberately planned and plotted a contraction of currency and credit that brought widespread ruin to the country in the form of the agricultural depression of 1920. Now, there is a general understanding in this country that the Federal Reserve System is owned by the Federal Government. Is that true?

Congressman Burdick — No, it is not.

H — Well, who does own the Federal Reserve System?

B — *It is owned by private individuals.*

H — I see. If this Federal Reserve System, then, is owned by private people or by private banks, how are they able to use this private ownership to their advantage?

B — They use it in extending credit to the government and in securing currency in the place of government bonds.

H — How does this come about?

B — Well, for instance, the government wants to sell a billion dollars worth of bonds, they sell it to the banks, usually

in New York, and don't get any money for it, but they get credit on the books of the bank and deliver bonds to the same amount to them, drawing interest, government bonds, and then these same bankers, in order to have some cash on hand, take the same identical bonds back to Washington and get currency for it by paying a small charge for the issuance of money, and in the meantime, the Government collects the interest on these bonds and delivers it over to the banks, and that is what they make out of it.

H — Even though the banks have brought down these bonds to Washington in order to get currency for them, the banks still collect the interest on the bonds?

B — Oh, yes!

H — Well, Congressman Burdick, if this is the way banks 'buy' government bonds, it seems to be exactly what John C. Calhoun described as giving the banks the government credit for nothing and borrowing it back again at interest!

B — That's precisely the situation!

H — Well, Congressman Burdick, what alternative does the government have to submitting to this bank racket?

B — Well, we've only had one President in the United

States with nerve enough to go up against this system and that was Lincoln in the Civil War. When they wanted money to finish the war the bankers decided that the Government would have to pay six per cent for any money they wanted, and Lincoln and his Secretary of the Treasury decided that they would issue the money direct. And at that time they issued \$431,000,000 worth of greenbacks known as the Lincoln greenbacks. They were not backed by bonds, we didn't pay any interest on it, and the amount still outstanding on that issue is \$346,681,000 on which we have never paid a cent of interest since 1864. (The interest alone saved to date on this one item equals over \$3 billion).

H — This then would be a form of what Congressman Pound called back in, I think, 1878, non-interest bearing public debt in circulation as currency.

B — That is correct. And there is nothing behind a bond that isn't also behind a bill issued by the government. It is credit of the government in each.... Now, at this time, if we attempted to redeem the money that was issued by Lincoln, called greenbacks, it would take over a billion dollars to pay the interest on that fund.

H — If we had issued it in

the form of bonds initially, you mean.

B — That's right... We have, gradually through the years surrendered the right described in the Constitution of the United States to regulate the value and coining of money. We have surrendered it to the Federal Reserve System.

H — Which is far from being a public institution, (but is) a private corporation.

B — That's right... It is operated just like the bank of the United States operated when Jackson put them out of business; because they are using the people's own money to their advantage.

H — And the same kind of institution, then, that John Calhoun was inveighing against.

B — That's right. There's been no change. It's another breed of cats but it's the same cat... Ever since we have had any recorded history of the use of money and the control of money, every czar that has controlled money has said, every one of them, let me control the money and I don't care who makes the laws!

H — And by that statement, I take it, these money czars would mean that if they are able to control the money, they can pretty well get what kind of legislation they want.

B — That's right.

H — Well, that is a pret-

ty direct admission of their recognition of the immense amount of political power that has been surrendered over to private interests in the form of abandoning the Congressional prerogative to issue money.

B — What surprises me, by following that process, we haven't lost the government completely.

H — Well, maybe we've lost it to a greater extent than many of our listeners realize, Congressman! Thank you very much, Congressman Burdick, for being with us, and for contributing to our understanding of a very ill-understood and extremely important national issue.

LET US FACE the facts of national life: There is no manner whatsoever by which we can regain our Republic UNLESS WE LITERALLY DRIVE OUT THE MONEY-CHANGERS AND REGAIN CONTROL OF OUR MONEY. But, this will be the literal fall of Babylon. Are we ready for that, God willing?

(Read MERCURY's small pow-

erful book — *Money Made Mysterious*. Also "Rothschilds and Rockefellers," Part I, in the AMERICAN MERCURY, November, 1958, issue, Part II in the March, 1960, issue and Part III in this issue.)

On June 10, 1932, Hon. Louis T. McFadden, for 22 years Chairman of the Congress Banking Committee announced: "The truth is, the Federal Reserve Board has usurped the Government of the United States. It controls everything here and it controls all of our foreign relations. It makes and breaks Governments at will. No man and no body of men is more entrenched in power than the arrogant credit monopoly which operates the Federal Reserve Board and the Federal Reserve Banks."

THE NAMES OF THE CLASS "A" STOCKHOLDERS OF THE FEDERAL RESERVE SYSTEM IS A DARK SECRET. These stockholders alone would be powerful enough to call off the investigation of the Federal Reserve Board by the Byrd Senate Investigating Committee.

American Civilization

"We have staked the whole future of American civilization, not upon the power of government, far from it. We have staked the future of all of our political institutions upon the capacity of each and all of us to govern ourselves, to control ourselves, to sustain ourselves according to the Ten Commandments of God."

—JAMES MADISON.